

How can we transform the experience gained in SAPARD implementation to EAFRD?

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HOW CAN WE TRANSFORM THE EXPERIENCE GAINED IN SAPARD IMPLEMENTATION TO EAFRD?

Abstract

During pre-accession period the farmers exploited the possibilities to draw financial resources from programme SAPARD in terms of agreed programmes. Since May 2004 there appear two further programs (Agricultural Operational Programme, Horizontal Rural Development Plan) which help farmers from the new member countries EU to improve their conditions in agriculture.

At these days there are putting on the table new proposal for support for rural development by the European Agricultural Fund for Rural development (EAFRD).

This paper presents the methods and the results connected with the transmission of knowledge from the SAPARD programs to the work on EAFRD.

Introduction

The paper focuses on the evaluation of current programs for implication rural development policy and preparation for using new conditions under EAFRD.

The basic programme document for the pre-accession instrument of SAPARD was the Agriculture and Rural Development Plan for the period of 2000 – 2006. The Plan was approved on 26 October 2000 by the European Commission (EC) and became a binding Programme of the Agriculture and Rural Development of the CR for the period of 2000 - 2006.

The Programme followed the Council Regulation (EC) No. 1268/1999 on Community support for agriculture and rural development in the candidate countries of the Central and Eastern Europe in the pre-accession period, Commission Regulation (EC) No. 2759/99 which determined detailed rules for the application of the Council Regulation (EC) No. 1268/1999.

SAPARD was a pre-accession instrument of the European Union designed for candidate countries. Its aim is to focus candidate countries on priorities of the CAP and rural development and to teach them to use financial procedures and control mechanisms applied in the EU. Its introduction and utilisation in the CR were prepared by the Ministry of Agriculture (MoA) and Ministry for Regional Development (MRD).

Since the accession to the EU the Agriculture operational Programme and Horizontal Rural Development Plan has been started under which the priorities and measures were submitted.

In the framework of the new perspectives for rural development there are requirement for better coordination between rural development programs and other European national support schemes. At the same time there are requirement for realistic and precise definition and quantification of program objectives, careful selection of measures and precise targeting of beneficiaries.

From this point of view proposal for Council Regulation on support to Rural Development by the European Agricultural Fund for Rural Development (EAFRD) has been issued.

In this paper we stressed our attention only on overview and evaluation of issues which are connected with increasing the competitiveness of the agricultural sector. This corresponds with selected EAFRD articles from axis 1.

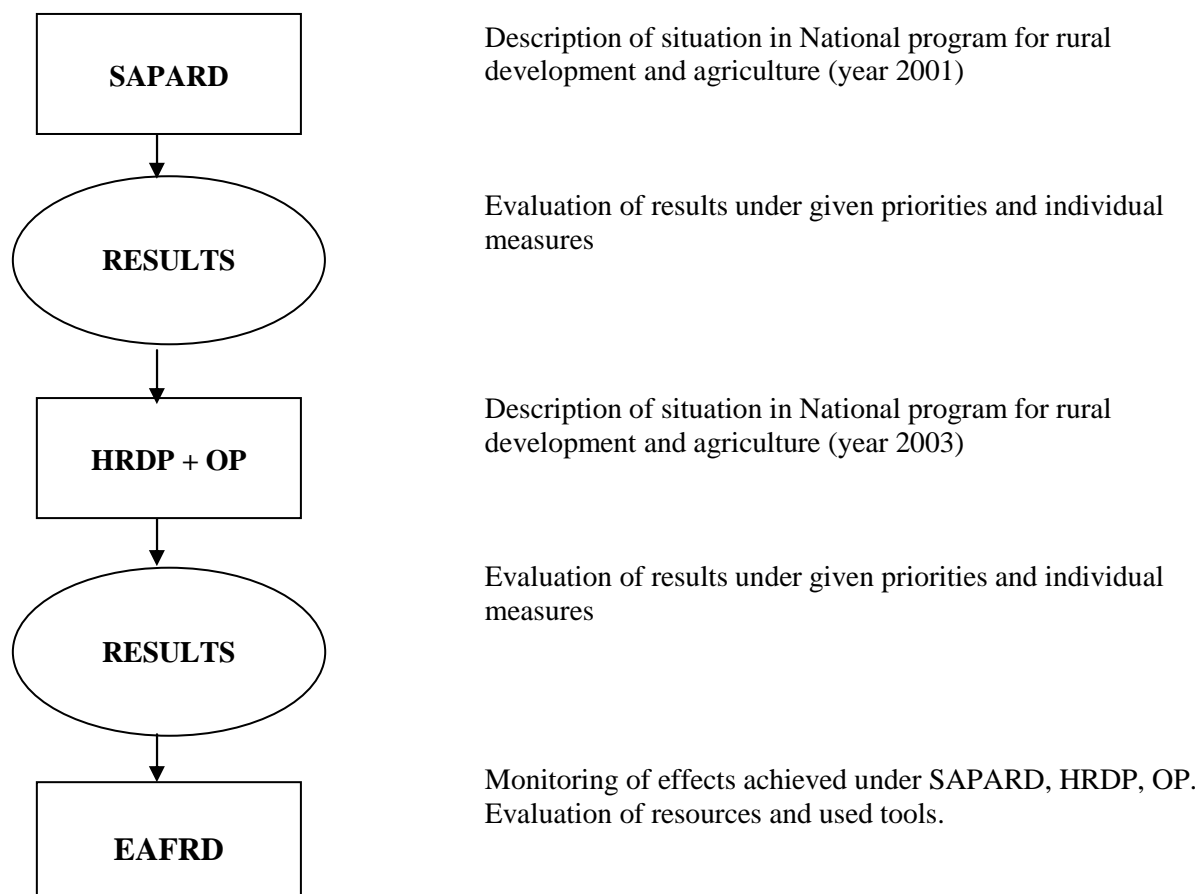
The paper is organized as follows. In the next section, there are presented the methods used for achieving to set the objectives under EAFRD. Second section describes the priorities and measures exploited under SAPARD, Agricultural Operational Programme (OP) and Horizontal Rural Development Plan (HRDP) and their evaluation. The fourth section describes overview of the program strategy for the environment. Fifth section involves findings from our investigations.

Methodological approach

As a first step there were set up two fundamental questions which help to establish the starting base for preparation the background for setting objectives under EAFRD.

- 1) How describe the development of situation in agriculture and countryside?
- 2) How proceed by description of problems and proposals for option of solution?

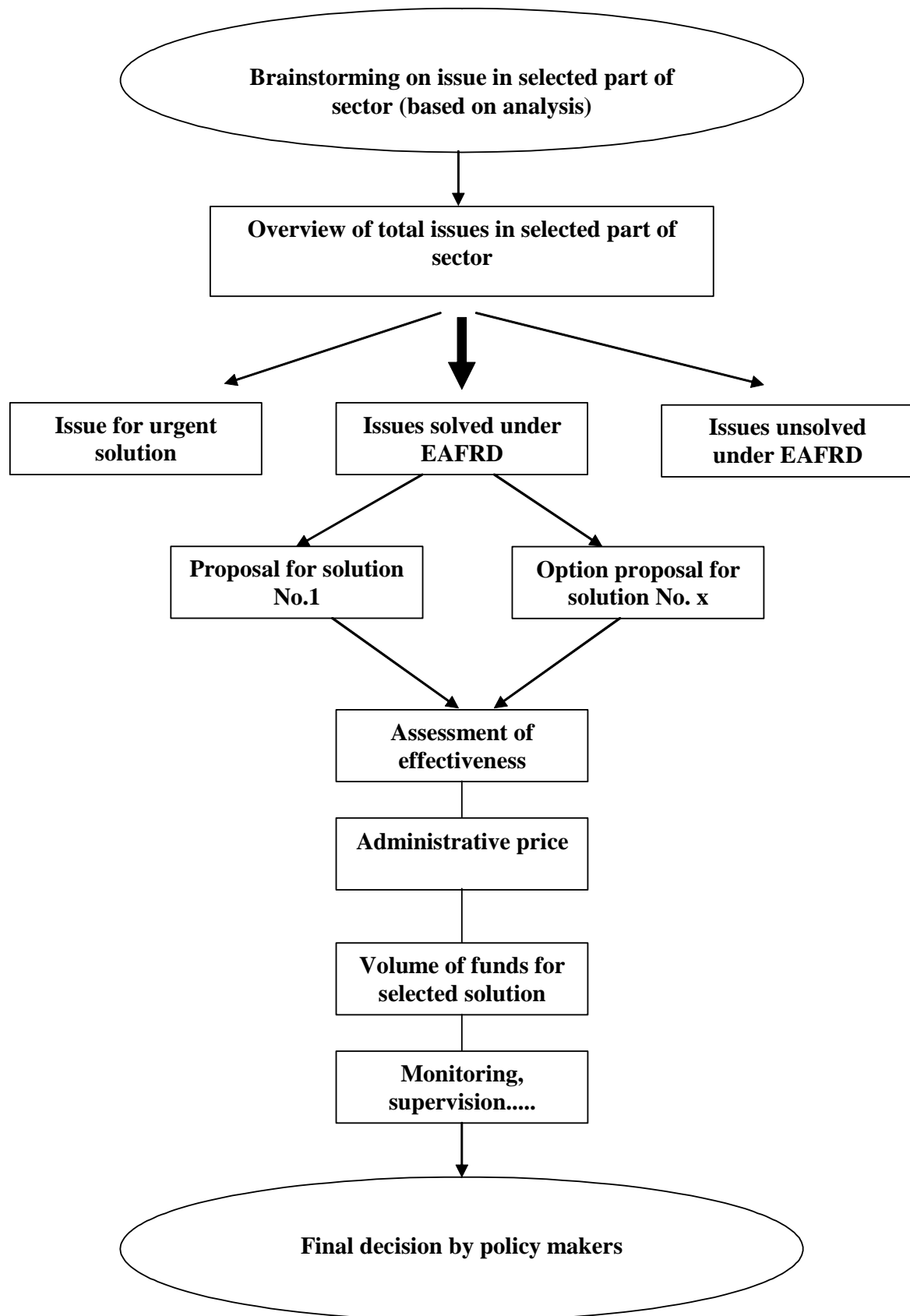
From our point of view it is evidently clear that evaluation of development situation in countryside would have the followed logistic.



Second part is the description of problems and proposals for option of solution.

1. For description of problems there is necessary to classify problems according to the time aspects (problems that must be solved without delay and it is impossible wait for period 2007 – 2012). Other problems range according to relevance, impacts on economic situation of countryside, eventually according to impacts on questions sustainable development. In those phase also remark problems that it is impossible by tool EAFRD solve. These problems will be given for solution to national ministry.
2. Next step brings suggestion for possible problems solution, or option solution. For each solution carry out pre-estimate of administrative costs, total expenses connected with solution and judgment of impacts. For this sequence the appropriate tool is seen also SWOT analysis.

This process could be graphically demonstrated as follows:



Objectives of the Programme

The overall objectives of the Programme are two:

- Contribute to the implementation of the *acquis communautaire*
- Solve the priorities and specific problems for the sustainable adaptation of the agricultural sector and rural areas.

The overall objectives are divided into priorities and measures which are as follows:

Priority 1: Increase in the competitiveness of agriculture and the processing industry

Measure 1.1: Investments in agricultural holdings

Measure 1.2: Improving the processing and marketing of agricultural and fishery products

Measure 1.3: Improving the structures for quality control, the quality of foodstuffs and for consumer protection

Measure 1.4: Land improvement and re-parcelling

Priority 2: Achieve sustainable development of rural areas

Measure 2.1: Renovation and development of villages and rural infrastructure

Measure 2.2: Development and diversification of economic activities, providing for multiple activities and alternative income

Measure 2.3: Agricultural production methods designed to protect the environment and maintain the countryside

Priority 3: Prepare the conditions for a full utilisation of the Programme

Measure 3.1: Improvement in vocational training

Measure 3.2: Technical assistance

The figure 1 presents the total resource allocation in the programming period 2000 – 2006 and is hence not a reflection of the current activities; however it serves the purpose of illustrating the distribution on measures and priorities.

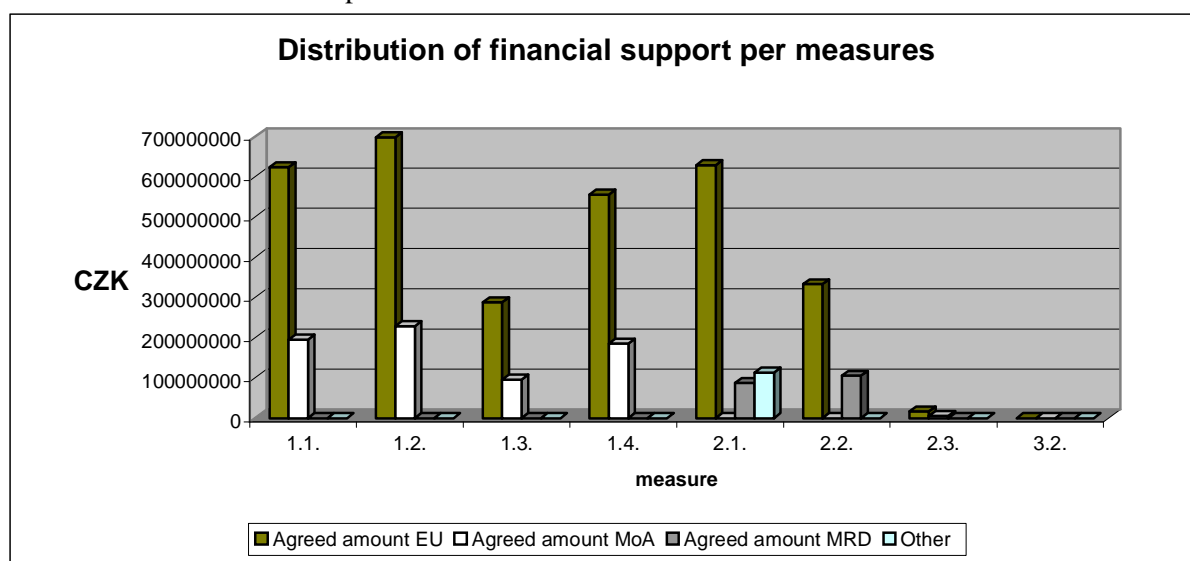


Figure 1 Distribution of financial support per measures

Source: MoA, 2004

Differences in the success rate between measures that mean the difference between applications and approved projects can be observed in figure 2.

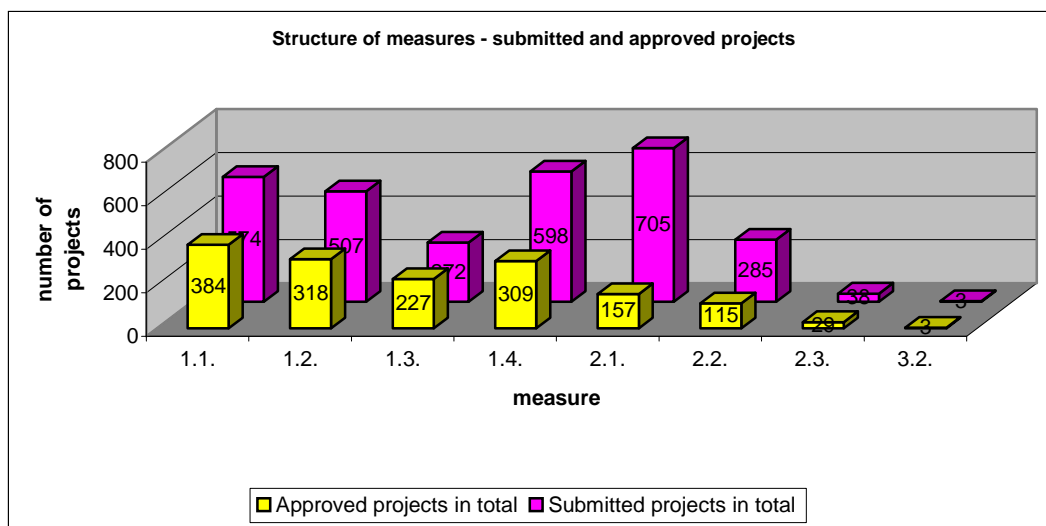


Figure 2 Submitted and approved projects by measures

Source: MoA, 2004

In the framework of selected items there are relevant to detailed evaluation of measures 1.1, 1.2. and 1.3.

The SAPARD measures have improved the situation of agriculture. The Programme was successful within a short period of implementation. The support recipients found the measures useful. But they also stressed the necessity of creation of new measures encouraging the rural development.

Agriculture Operational Programme follows up measures established in program SAPARD with further increasing not only the content but as well finance side. Detailed description and preliminary evaluation are given to the measures 1.1 and 1.2 which reflect issues defined in the introduction.

Measure 1.1: Investment in agricultural holdings

Measures in category of investments to the agricultural holdings are focus on elimination of negative influences resulting from agricultural production on environment (especially about protection of waters pollution from agricultural sources, about implementation of modern and environmentally friendly technology in agriculture that permit ecologically store and utilize by products from animal husbandry.

Investment in animal production has the aim to improve hygienic standards and from long - term perspective support competitiveness of agricultural production on domestic also external markets. It concerns above all of reconstruction and construction of new stable capacities and agricultural constructions improving animal welfare so, to correspond with standards EC on farm animal breeding (pigs, cattle and especially layers) also in light of stable environment, transport and slaughtering.

In crop production there are missing store capacities and part of existing are unsatisfactory in light of hygienic standards also in light of economy to environment. There will be part of funds devoted also on solving these problems.

In terms of hereof measure will be also supported young farmers and new sources of receipts to farmers by diversification of agricultural activity.

Measure reflects real social - economic situation and needs of society which is coming out from analyses of economics and social situation and from SWOT analyses.

Table 1 Expected finance in mil. € (in current prices)

Period – Year	Total sources of finance	Total of public sources	Public sources of financing				Private sources (indicative)
			Co financing of EU			Co financing of national sources	
			Total	EAGGF	FIFG		
2004	52,74	29,01	18,27	18,27		10,73	23,73
2005	75,54	41,55	26,18	26,18		15,37	33,99
2006	98,00	53,90	33,96	33,96		19,94	44,10
Total	226,28	124,46	78,41	78,41		46,04	101,82

Source: MoA, 2004

Measure 1.2 Improvement of agricultural products processing and their marketing

Measure will help to transfer of new technology and innovation to the processing of agricultural products (inclusive IPPC), increase of products standard from agricultural production, development of production spheres making use domestic agricultural production and improvement of marketing for agricultural products.

Measure specifies appropriate priority in the area of technology improvement of agricultural products processing.

The improvement of marketing is included as well, which is very important because this sector was neglected in the history and it still handicaps our agriculture.

The measure reflects a true social-economic state of society and its needs and it comes out from economical and social analysis and from SWOT analysis introduced in the Agriculture Operational Programme.

It significantly helps to solve and eliminate problems resulting from obsolete technology of agricultural products processing.

Table 2 Expected financial amount in mil. € (in current prices of 2003)

Period – Year	Total sources of finance	Total of public sources	Public sources of financing				Private sources (indicative)
			Co financing of EU			Co financing of national sources	
			Total	EAGGF	FIFG		
2004	6,68	3,34	2,33	2,33		1,01	3,34
2005	9,56	4,78	3,34	3,34		1,43	4,78
2006	12,40	6,20	4,34	4,34		1,86	6,20
Total	28,64	14,31	10,01	10,01		4,29	14,31

Source: MoA, 2004

The Horizontal Rural Development Plan priority - "permanently sustainable development of agriculture, rural areas and their natural resources" - will be achieved by following measures, which are listed with reference to the respective chapters and articles of the Council Regulation (EC) No. 1257/1999: Premature Termination of Agricultural Pursuits; Less Favourable Areas and Areas with Environmental Limitations; Agro-Environmental Measures; Forestry; Establishment of Producer Groups; and Technological Assistance.

The last-mentioned measure, i.e. Technological Assistance, is aimed at supporting activities necessary for HRDP implementation success rate monitoring, HRDP use management, and improvement of measures included in the HRDP. The tasks in question are those related to creating procedures and materials necessary for the process from application filling to the assessment of the individual measures. The work will predominantly take a form of studies, data collection and analyses, creation of reference material, and other activities connected with promoting the information on the measure being implemented. The Ministry of Agriculture is the recipient of the subsidy.

HRDP measures will be implemented all over the Czech Republic. The structure of the preliminary assessment of the 2004 - 2006 HRDP for the Czech Republic adheres to the specifications given by the document Structural Funds Assistance to the Czech Republic (Terms of Reference). For the purpose of the preliminary assessment, the assessment team used the following methodological starting points: Council Regulations (EC) Nos. 1257/1999, 1260/1999, 438/2001, 445/2002, methodological guidelines and materials concerning preliminary assessments (The MEANS Collection), and the Evaluation of 2000-2006 Rural Development Programmes supported by the European Agriculture Guidance and Guarantee Fund, Guidelines, Directorate General for Agriculture, 1999 document.

Table 3 Overview of financing of measures in mil. €(in current prices)

Year	2004		2005		2006		Total		Co financing in %
	Total of public sources	Contribution of EU	Total of public sources	Contribution of EU	Total of public sources	Contribution of EU	Total of public sources	Contribution of EU	
Support	1,518	1,214	1,979	1,583	2,297	1,838	5,794	4,635	80

Source: MoA, 2004

The program strategy for the environment

The SAPARD Plan 2000-2006 of the Czech Republic has highlighted the Environment among the main issues of the programme. In particular, the SAPARD Plan includes among the special objectives “the improvement of the environment in rural areas” The compliance of agricultural crop activities with environmental protection, the sustainable farming, the ecological stability of the landscape and the improvement of environmental standards are expected to be achieved in the implementation of the programme.

In this framework, the SAPARD Authorities have implemented EIA procedures under the coordination of the Ministry of Environment and the support of the Ministry of Agriculture and the Ministry for Regional Development according to the respective roles and competences.

The evaluation of the environmental impact of the SAPARD programme is strictly associated with the environmental legislation currently applied in the Czech Republic and with the EU environmental legislation with particular reference to the Environmental Directives (EIA, Birds, Habitats, IPPC, and Nitrate Directives).

Particular attention should be paid to the fact that Czech Republic has adopted a transitional period for the application of certain elements of the EU environmental legislation. This means on the one hand that certain initiatives promoted by SAPARD programme – related to regulations where transition period has been approved - do not need to be in full compliance with the EU Environmental Directives at the time of Czech Republic entrance to EU.

On the other hand, particular attention is expected by SAPARD Authorities to these issues, taking into account that EU environmental directives will be applied starting in 2005.

EIA Directives – These directives (85/337/EEC and 97/11/EC) have been transposed to Czech legislation with the Acts n.244/1992 and 100 /2001.

Nitrate Directive - The Czech Republic applied for a transitional period until 2006 for the practical implementation of directive 91/676/EC on the protection of waters against pollution caused by nitrates from agricultural sources. This was however not provided. The Directive has been transposed to Czech legislation by Act on Waters, Governmental regulation No. 103/2003 on Nitrate Directive, and regulations mentioned in the table 4 below. EU has stated that, by the date of Czech Republic accession to EU, it will suffice to adopt action programs for improvement, whereby these programs would have to be subsequently implemented within 4 years.

Habitats and Birds Directive - In the field of nature protection, the Czech Republic applied for a transitional period until 2005 for creating a list of special protected areas to be included in the NATURA 2000 network (directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, the so-called Habitats Directive). The Commission did however not provide this. Czech Republic has also asked for an extension of the list of plant and animal species in attachments to directives 92/43/EEC and 79/409/EEC Directive (on the conservation of wild birds, the so-called Birds Directive), which is probably the first case in which the Czech Republic is requesting stricter environmental protection criteria. In relation to Directive 79/409/EEC and Directive 92/43/EEC, it was decided (given the necessity of rapid inclusion in the Natura 2000 network and of ensuring protection of rare biotopes and animal and plant species in territories that will only partly correspond to the territories protected pursuant to the current Czech legislation) that preparatory work (mapping of the territory of CR and evaluation) be accelerated. A final list of areas that will be designated under the Birds Directive and a final proposal for areas that can be designated under the Habitats Directive must be send to the European Commission latest by the date Czech Republic joins EU.

IPPC Directive - In the field of limiting industrial pollution and risk management, the CR has applied a five-year transitional period (until 2012) for implementing the 96/61/EC directive on integrated pollution prevention and control in the installations covered by the regulation. The IPPC Directive relates to both existing and coming new installations included in the categories of industrial activities that need to be considered according to the Directive. Among these activities can be mentioned slaughterhouses, food and milk production facilities, and installations for the intensive rearing of poultry or pigs under specified conditions from the regulation.

Table 4 reported relationships with the most relevant EU and Czech environmental legislation.

Table 4 SAPARD measures and its relationships with EU and Czech most relevant Environmental Legislation

SAPARD Measures	EU Directives and Regulations	Czech legislation
1.1 Investment in agricultural holdings	Nitrates (91/676/EEC) EIA (85/337/EEC and 97/11/EC) IPPC (96/61/EC)	EIA Acts n.244/1992 and 100 /2001 IPPC Act n.076/2002 Fertiliser Acts and Decrees n.156/1998 n.274/1998 n.476/2000 Clean Air Act n.86/2002
1.2 Improving of the processing and marketing of agricultural and fishery products	EMAS regulation (01/761EC) EIA (85/337/EEC and 97/11/EC) IPPC (96/61/EC)	EIA Acts n.244/1992 and 100 /2001 IPPC Act n.076/2002
1.3 Improving the structures for quality control of foodstuffs and for consumer protection	EMAS regulation (01/761EC)	
1.4 Land improvement and re-parcelling	EIA (85/337/EEC and 97/11/EC) Birds (79/409/EEC) Habitats (92/43/EEC)	Nature and Landscape Act n.114/1992 Agricultural Land Acts n.33471992 and 13/1994
2.1 Renovation and development of villages and rural infrastructure	EIA (85/337/EEC and 97/11/EC) Birds (79/409/EEC) Habitats (92/43/EEC)	EIA Acts n.244/1992 and 100 /2001 Nature and Landscape Act n.114/1992
2.2 Development and diversification of economic activities providing for multiple activities and alternative income	EIA (85/337/EEC and 97/11/EC)	EIA Acts n.244/1992 and 100 /2001
2.3 Agricultural production methods to protect the environment and maintain the countryside	Birds (79/409/EEC) Habitats (92/43/EEC) Council Regulation (EC) 1257/1999	Nature and Landscape Act n.114/1992
3.1 Improvement of vocational training	Birds (79/409/EEC) Habitats (92/43/EEC) Nitrates (91/676/EEC) EMAS regulation (01/761EC)	Nature and Landscape Act n.114/1992 Fertiliser Acts and Decrees n.156/1998 n.274/1998 n.476/2000
3.2 Technical assistance	n/a	n/a

Source: MoA, 2004

Findings from the research

The effectiveness of afforded investments emerges from the evaluation of the SAPARD. Considerable positive impact of the investments has been projected to:

- an improvement of new products outlets
- a rationalization of production factors and processing principles.
- an expressive increase of product qualities and competitiveness
- a creation of new job opportunities
- better health conditions
- significant improvement of the situation in the area of hygienic and veterinary norms
- an increase of the number of support recipients (64 %) producing foodstuffs in accordance to the EC rules
- considerable improvement of product quality
- improvement of consumer protection.

Less positive impact was recorded in the area of:

- animal welfare, depending on the kind of activity supported
- environmental protection.

The effectiveness of HACCP implementation has been very satisfactory (100 % in a dairy sector and 42 % in a dark meat processing).

For the present, it is impossible to carry out a similar evaluation within the OP and the HRDP, but it is already possible to see the continuity of former SAPARD measures in the area of:

- investments in
 - implementation of modern and “green” technologies
 - improvement of hygienic standards in livestock husbandry
 - supporting a competitiveness of agricultural production
 - building up new warehouses for crop production
- agricultural products processing and marketing
 - transfer of new technologies including IPPC agricultural product standard raising
 - quality improvement of marketing.

In advance, it is possible to say that claims on aid for the above mentioned areas are completely transferable to the EAFRD.

Other groups of problems to be solved within the EAFRD are following:

- IPPC support to its whole extent
- support of the HACCP implementation
- support of traceability
- improvement of foodstuffs quality, hygiene and consumer protection
- support of companies with increased costs on meeting the ES requirements
- support of regional foodstuffs and production intended for a consumption in the place of origin.

Conclusion

During the SAPARD, the OP and the HRDP implementation our republic gained a lot of useful information, experience and created new inventions for future. It is only up to policy makers and farmers themselves to use this valuable knowledge for taking the advantage from the European Agricultural Fund for Rural Development.

Keywords: rural development, HRDP, OP, EAFRD

JEL classification: Q18

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